SALARY PACKAGING
USER GUIDE

Revised 22 September 2010

Introduction

Griffith University recognises the value to staff members of flexible remuneration which can be provided by way of salary packaging. It is possible for staff members to "sacrifice" part of their cash salary in return for benefits such as contribution to superannuation or lease of a motor vehicle.

Salary packaging is made available through the University's Certified Agreements. Participation is voluntary and staff members are free to choose benefits that best suit their individual needs. The University may, at its discretion, decline any requested salary packaging arrangement of an individual if it believes it is not an effective salary packaging arrangement.

What is salary packaging?

Salary packaging is a means of providing employees with the ability to change the structure of their remuneration package and receive part of their salary in the form of non-cash benefits.

A deduction for the benefit option is made from your gross salary (pre-tax) thus reducing your taxable income and the amount of tax payable.

Who Is Eligible?

Staff members who are employed on a continuing appointment or fixed term appointment with greater than twelve months remaining on the contract are eligible to take part in the salary packaging scheme. Casual staff members, academic visitors and students are not eligible.

Special eligibility conditions apply in relation to salary packaging of a motor vehicle.

What can be salary packaged?

The following items can be salary packaged via HR Services within the Office of Human Resource Management, at no cost to existing or new staff:

- Payment of compulsory staff member contributions to superannuation funds
- Payment of additional contributions to superannuation funds
- University car parking fees
- University child care fees
- University gym membership

All of the salary packaged items provided by the Office of HRM are FBT Exempt.

The following items can be salary packaged via an external provider on a user pays basis:

Item	Provider	FBT Provision
Motor Vehicle	LeasePlan or NLC Pty Ltd	Concessional FBT
Laptop Computer / Ipad	LeasePlan	FBT Exempt
Electronic diary / PDA	LeasePlan	FBT Exempt
Briefcase	LeasePlan	FBT Exempt
Mobile telephone	LeasePlan	FBT Exempt

Airport lounge membership	LeasePlan	FBT Exempt
Financial advice about salary packaging arrangements	LeasePlan	FBT Exempt

Financial Advice

The University strongly recommends that staff seek independent financial advice before entering into salary packaging arrangements.

Any fees associated with obtaining financial advice will be at the cost of the staff member but can be salary packaged.

Note: Changes to taxation legislation including, but not limited to, changes to Income Tax, FBT and GST can impact on benefits packaged. Staff members need to discuss these risks with their own independent financial adviser as the University does not accept any liability for costs incurred as a result of such changes for staff who choose to package their salary.

Reportable Fringe Benefits will be recorded on payment summaries (group certificates) and may affect income tests for government benefits such as HECS, Fee Help, child support, child care benefits or the Medicare levy surcharge.

Salary Packaging Fees

There are no salary packaging fees for items administered by the Office of HRM. For items provided by NLC Pty Limited or LeasePlan, the staff member will be required to pay:

- An administrative fee to the external provider; and
- A University administrative fee of 1% of the value of the item(s) being packaged by LeasePlan: OR
- $15 per calendar month for each item(s) being packaged by NLC Pty Limited.

LeasePlan fees applicable are as follows (excluding GST):

	Vehicle Management Fee (per vehicle)	Salary Packaging Admin Fee per annum (per item)
Novated Lease via LeasePlan	$294	$60
Other packaging benefit items		$64
Maximum Fee per year		$360

The above fees cover the establishment and administration associated with salary packaging benefits. LeasePlan permit one alteration to benefit items per year at no charge, with each additional alteration incurring an additional fee of $50.

NLC Limited fees applicable are as follows (excluding GST):

	Vehicle Management Fee (per vehicle)	Salary Packaging Admin Fee (per item)
Establishment fee		$85
Novated Lease via NLC Pty Limited	$20 per month	

Fees will form part of the salary package and will be deducted from pre-tax dollars.

The administrative fees are subject to change. Staff members will be notified prior to any changes.

Where GST is paid as part of the salary packaged item, any tax input credits will be passed on to the staff member.

Salary packaging deductions will commence from the next available pay period (ie retrospective deductions are not permitted). An administrative fee will apply if a staff member wishes to change the components of their salary packaging arrangements. Any change to a staff member's salary packaging arrangements will apply from the pay period following receipt of the request for the change by Payroll.

Salary Packaging and Leave

Salary packaging arrangements will continue during periods of paid leave.

Deductions cannot be made if a staff member is not receiving a salary, therefore any salary packaging amounts must be funded from the staff member's own resources for any period of unpaid leave, including periods of workers' compensation.

External providers will endeavour but cannot guarantee to vary the salary packaging arrangements of staff member who proceed on planned or unplanned unpaid leave. In such circumstances the staff member should advise HR Services within the Office of HRM, and the external provider as soon as such leave is planned, so that arrangements can be renegotiated.

Changes in Circumstances

It is the staff member's responsibility to immediately inform HR Services in the Office of HRM, and the external provider, of any changes in circumstances which may impact on their salary packaging arrangements.

The external provider will endeavour, but cannot guarantee, to vary the salary packaging arrangements to assist with unexpected changes in circumstances.

Resigning and/or Ceasing an or all Salary Packaging Items

If a staff member resigns or wishes to cease any or all salary packaging items, the staff member must advise the Office of HRM and the external provider as soon as possible but no less than one month's notice of their intention to do so.

Any salary packaging arrangements will be reconciled at the termination and/or cessation date and monies owing will be offset against any salary, leave or other remuneration that may be due and payable.

The University reserves the right to take legal action to recover all monies owing to the University in relation to salary packaging.

NLC PTY LTD

MOTOR VEHICLE NOVATED LEASING

SALARY PACKAGING INFORMATION FOR STAFF

NLC Pty Limited

Why choose an *nlc* novated lease?

An ***nlc*** novated lease can make running your car easier and more cost effective. You agree to forgo some of your salary in return for a maintained car, some of which you can pay for in before-tax dollars. ***nlc*** uses your regular deductions to pay for your car's running costs including the finance component, fuel, maintenance, registration and insurance.

Are there any benefits other than tax benefits?

The benefit our customers value almost as much as the tax savings is the convenience of an ***nlc*** novated lease.

When you have an ***nlc*** novated lease you don't need to pay cash for your car expenses. We provide you with a card that is used to pay for fuel and maintenance. Your regular deductions include an allowance for registration and insurance so when they fall due ***nlc*** will pay them for you. There are no inconvenient lump sum payments.

We can also take all the leg work out of negotiating a competitive price for your new car.

So how does a novated lease work?

A novated lease is a three party agreement between you, your employer and ***nlc***.

You enter into a finance lease with ***nlc***; a second document called a novation agreement is used to transfer some of your lease obligations to your employer.
Once the novation is in place your employer deducts money from your salary and remits the money to ***nlc*** to pay for your car.

This allows your car to be treated like a company car which normally provides income tax and GST savings to you.

Who is a novated lease for?

If you answer yes to the following questions you are more likely to benefit from an ***nlc*** novated lease:

- Do you want a car?
- Do you need to borrow money to pay for the car?
- Do you mainly use the car for private purposes?

I thought novated leases were for high income earners or high kilometre travellers?

These are two common misunderstandings about novated leases. You don't need to be a high income earner or drive high kilometres for a novated lease to be beneficial. Nor do you need to use your car for business purposes. Many employees across Australia benefit from an ***nlc*** novated lease.

When you speak to an ***nlc*** Vehicle Packaging Consultant they will provide you with a benefit assessment based on your income and estimated annual kilometres.

Can I choose my car?

Yes, although your employer's vehicle policy may have some restrictions on the type of car you can novate. Provided you adhere to your employer's policy requirements, you're free to choose a car that suits your needs.

You can choose:

- A new car (our buying power means we can source a new car for you at a very competitive price),
- A second-hand car (***nlc*** may impose some minimum value guidelines; usually the purchase price of the car needs to be greater than $10,000), or
- A "sale and lease-back" of the car you currently own.

What does a novated lease cover?

nlc will put a budget in place to cover your car's:

» Lease finance
» Comprehensive insurance
» Registration
» Fuel
» Maintenance (servicing, repairs and tyres)

The amount allocated for fuel and maintenance is based on your car's fuel consumption and the manufacturer's servicing guidelines.

What is Fringe Benefits Tax (FBT)?

When you salary package a car using pre-tax dollars, you reduce your taxable income, therefore reducing your PAYG income tax.

To offset some of this reduction in income tax, the Australian Tax Office (ATO) levies another tax called FBT on the benefit that has been provided to you.

The amount of FBT payable is based on your car's purchase price and your total annual kilometres. In most cases, your income tax savings will be greater than the FBT payable on your car.

To maximise your benefit on the amount you earn, the ATO allows the Employee Contribution Method (ECM).

This allows you to split your payments into pre-tax and post-tax amounts with the post-tax amount effectively offsetting the FBT liability. Our calculations depend on you making your nominated kilometre bracket.

Can I offset my car's carbon emissions?

nlc offers a product called carbon*reverse* which allows you to offset your car's carbon emissions for the term of the novated lease.

carbon*reverse* is paid using before-tax dollars providing an additional benefit.

How do I pay for fuel, maintenance and other car expenses?

Fuel: You will receive a multi-branded ***nlc*** fuel and maintenance card (***nlc*** platinum card), accepted at major petrol stations and most independent sites. Use the merchant locator on the ***nlc*** website to find service stations in your local area.

You can use your ***nlc*** platinum card at participating Safeway/Woolworths sites to receive shopper docket discounts.

Your employer may also give you the option to use otherfuel cards.

Maintenance: You use the same ***nlc*** platinum card for maintenance and servicing expenses. ***nlc*** provides a repair authorisation service to its customers. Your service provider must call ***nlc*** and outline the work that is to be carried out. We check to ensure that the parts and servicing are; reasonable, follow the manufacturer's specifications, should not be done under warranty and are competitively priced. Once approved, your service provider will invoice ***nlc*** directly

Registration: As soon as you receive your renewal from your State or Territory registration office you must forward a copy to ***nlc***. This will ensure your renewal is processed on time. If less than 10 working days remain until your registration expiries, you need to pay the renewal and then claim reimbursement from ***nlc***.

Insurance: Your vehicle will be insured with ***nlc*** your insurance and will be automatically renewed annually for the term of your novated lease while you remain with your employer.

How do I claim expenses?

When you pay a car expense yourself, ***nlc*** will reimburse you for the amount you're out of pocket; claim forms are available from www.nlc.com.au

What car expenses can't be salary packaged?

The following items cannot be salary packaged:

- Road tolls and e-TAG expenses
- Fines and other infringement notices
- Any accessories fitted to the car after purchase, e.g tow bar, roof racks etc.

How does *nlc* let me know how I'm tracking?

You will receive monthly emails with your account balance and FBT tracking information. You can also access information about your account online.

What if I'm not doing enough kilometres?

If you receive an email saying you're not on track with your kilometres, you need to either increase your rate of driving or contact ***nlc*** to lower your target and re-cost your car package.

What happens if I spend more than budget?

If during your lease you spend more than budget, ***nlc*** will contact you to increase your before-tax payment. If at the end of your lease your balance is negative, ***nlc*** will invoice your employer for the shortfall and your employer will recover any funds due from you directly.

What happens if I spend less than budget?

At the end of your lease, any unused funds are returned to your employer for reconciliation. Once any adjustments are made and PAYG tax is deducted, the balance is refunded to you.

What is a residual value?

The residual value is the pre-determined value of the car at the end of the lease contract including GST. Minimum residual values are set by the ATO.

Once the term of the lease has expired you have a contractual obligation to pay the residual value. You also have the option to re-finance the lease for a further term.

What happens when my residual value falls due?

Your residual value options are:

- Trade-in your car and enter into another novated lease on a new car. You must pay any shortfall between the trade-in price and the residual value. You cannot use the value of any trade-in to reduce the amount financed on your next car as you are unable to have equity in a novated lease.
- Re-finance the residual value over a new term that suits you.
- Sell the car privately or to a dealer and arrange for the purchaser to pay the residual value. You must pay any shortfall between the sale price and the residual value.
- Make an offer to buy the car for the residual value, thereby acquiring ownership of the car and running it privately.

What happens if I leave my employer?

The first thing you need to do is call ***nlc*** so we can talk to you about your options. Payment for the car and your ***nlc*** platinum card are linked to your employer, so if you leave your company, your employer stops making payments and the ***nlc*** platinum card is cancelled.

FBT is calculated as of the date you leave your employer, so it's important you have travelled enough kilometres to make your bracket otherwise you'll be liable for additional FBT.

When you leave your employer you have three options:

- Continue paying the monthly lease rentals and all of the car's running costs out of your own pocket including GST. The residual value will still fall due at the end of your lease;

- Re-novate your lease with a new employer. ***nlc*** can assist you with this process; or

- Pay out the finance lease early. Please refer to the next question for additional information on breaking the lease contract.

Can I break the lease contract?

When you enter into a novated lease, you agree to lease the car for a fixed period of time. It's important that you choose a lease term that reflects how long you wish to keep the car.

If you break the lease you will need to pay the remaining lease rentals (GST inclusive) and the residual value (GST inclusive).

You will also incur up to the equivalent of three monthly lease rentals as a penalty. FBT is calculated as of the date you pay out the lease; it's important you have travelled enough kilometres to make your bracket otherwise you'll be liable for additional FBT. Your running cost balance is not included in the pay out figure and is reconciled separately once ***nlc*** receives the last month's expenses for your car.

What do I need consider?

If you note the following points your novated lease should be hassle-free!

- Choose a car that meets your needs
- Select a lease term that reflects how long you want to keep the car
- Nominate an FBT kilometre target that you can easily achieve, and if anything changes call ***nlc*** immediately
- Use the monthly emails from ***nlc*** to monitor your account balance and FBT kilometre target
- As soon as you receive any renewal notice forward a copy to ***nlc*** to ensure your renewal is processed on time.

Finally, if you miss your FBT target, you will need to pay an additional amount above your standard salary deduction. This will occur, even if you have made after-tax payments towards the car.

Important information to note:

Leasing represents a significant financial commitment and involves some risks and responsibilities that you must understand before entering into a leasing arrangement.

You are encouraged to seek independent financial advice to determine whether a novated lease is right for your financial situation.

If there is a change in the tax legislation, your salary sacrifice amount will be adjusted to reflect the increase/decrease in the amount of tax payable.

The concept of salary packaging assumes that all costs associated with the provision of benefits are borne by the employee. Your employer will not incur any additional cost as a result of your decision to enter into a salary packaging arrangement.

In the event that you cease to be employed for whatever reason, your employer's obligation to pay the lease stops and the obligation reverts to you.

For more information contact *nlc* on:

Telephone: 1800 643 044
Email: lease_quote_request@nlc.com.au
or go to www.nlc.com.au

LEASEPLAN

SALARY PACKAGING INFORMATION FOR STAFF

LeasePlan Novated Vehicle Leasing

What is a Novated Corporate lease?

A Novated vehicle lease is an arrangement between you, your employer and LeasePlan as the Novated lease financier and fleet manager. It enables you to lease a vehicle of your choice whilst enjoying the tax-effective benefits of financing the vehicle and its operating costs from pre-tax salary.

Please refer to the Corporate Car Plan user guide on the Griffith University portal for detailed information

What are some of the benefits of Novated Corporate vehicle?

- Your vehicle costs are deducted from your salary before tax.
- You may achieve a potential income tax-free lump sum benefit at lease expiry.
- Significant benefits can be obtained via pre-tax savings on lease and operating costs.
- You are able to benefit from the available tax concessions i.e. FBT can be lower than income tax.
- Increase disposable income and lower or eliminate the FBT liability with post-tax contributions via the Employee Contribution Method (ECM).
- You are able to package your current vehicle or a second-hand vehicle, providing it meets used vehicle criteria for both age and kilometres travelled (see above).
- The vehicle is registered in your name. This negates payment of stamp duty if the vehicle is purchased at lease end.
- You benefit from higher vehicle purchasing discounts (up to 15%) through LeasePlan's buying power.
- You save on operating costs through full fleet management controls. Savings can be up to 30% less than retail.
- Vehicles that have been carefully taken care of will normally have higher resale values as well as lower running costs. These savings are passed on to you.
- LeasePlan (the leasing arm) can claim a GST Input Tax Credit on the vehicle purchase and on all operating costs. You will enjoy GST free motoring. You only pay GST on the residual value at lease expiry.
- The vehicle can also be Novated to your new employer or purchased outright if your employment is terminated.

What is a Novated Government Car Lease?

The Government Car Plan lease is an arrangement between your employer and LeasePlan, enabling you, the employee to use the vehicle for the term of the lease. All costs associated with financing and operating the vehicle, and applicable FBT liabilities are deducted from your pre-tax income. Under the arrangement, as an eligible employee, you select a vehicle from the list of most Australian manufactured vehicles and some imported vehicles which draw deep Government discounts.

Please refer to the Government Car Plan user guide on the Griffith University portal for detailed information.

What are the benefits of using a Novated Government CarPlan vehicle?

- You obtain a vehicle at reduced pricing (Government Tender Board Pricing and GST Input Tax Credits).
- Your vehicle costs are deducted from your salary before tax.
- You may achieve a benefit at lease expiry via a refund of unused operating cost
- Significant benefits can be obtained via pre-tax savings on lease and operating costs.
- You save on operating costs through full fleet management controls. Savings can be up to 30% less than retail.
- Vehicles that have been carefully taken care of will normally have higher resale values as well as lower running costs. These savings are passed on to you.
- LeasePlan can claim a GST Input Tax Credit on the vehicle purchase and on all operating costs. You will enjoy GST free motoring. You only pay GST on the sale value if you decide to purchase the vehicle at the expiry of the lease. Please note the limitation on luxury vehicles, on which the maximum input tax credit is currently $5,193.
- Your vehicle can be returned at no cost if employment is terminated.
- The vehicle can also be purchased outright if your employment is terminated.
- You may choose to purchase the vehicle at the expiry of the lease at LeasePlan's nominated sale price.

How FBT affects your package costs?

When you obtain a vehicle under a novated lease arrangement your employer becomes liable for Car Fringe Benefit Tax. The FBT liability, which your employer incurs, is charged back to you as part of your salary deduction. Car FBT is usually calculated using a statutory formula.

Effects of distance travelled and FBT?

Estimated Car FBT liability is calculated based on your estimated annual kilometres per year at the time a quotation is prepared. FBT liability in reality is paid on the actual kilometres travelled between 1 April and 31 March. If you do not meet your required kilometres per annum for FBT, you may incur a further FBT liability bill. This is to be collected as per below:

Under Collection of FBT liability
• Up to $200 – payable in one pay fortnight,
• $201 to $500 – payable in two pay fortnights,
• $501-$1000 – payable in three fortnights,
• $1001-$2000 payable in five fortnights; and
• Over $2001 to be paid back in equal instalments over six fortnightly pays.

The Employee Contribution Method (ECM)

The Employee Contribution Method (ECM) is where you make a post-tax contribution towards the cost of operating your Novated lease vehicle. Instead of salary sacrificing the complete vehicle lease cost including Car FBT liability from pre-tax salary, a portion of the vehicle lease cost is deducted as an 'employee contribution' from your post-tax salary. This will show on your pay slip as a second salary deduction post-tax.

Your post-tax contributions are then taken into consideration in your Car FBT calculations at the end of the FBT year. If you elect to use ECM, LeasePlan will calculate the post-tax

contribution needed to completely eliminate your estimated Car FBT liability. By reducing or eliminating the Car FBT amount payable you lower the overall packaging cost and increase your disposable income.

What to do to commence salary packaging for a Novated lease?

Griffith's Customer Number 1000038017

Access LeasePLan Online for drivers, where you can access quotes as to the cost of a novated lease for different vehicles and the impact on your take home pay.

To access Leaseplan Online you need to take the following steps;

Register with LeasePlan's Drivers Online website:

- Go to: http://www.leaseplan.com.au
- Click on: LeasePlan Online – "Login Here"
- At the bottom left hand side of the page click on "Not Registered yet? Click here to register
- Enter Griffith's customer number – **1000038017**
- Enter Employee Number- your Griffith University ID number
- Click on next
- Complete steps 2 – 5 with your personal details
- Once you have submitted your details a workflow email is sent to Griffith advising of your request.
- A Griffith Representative will than check your eligibility and if eligible approve your registration (allow one working day). You will then be sent an email from LeasePlan with your UserID and a temporary password.

You will then be able to access LeasePlan Drivers Online. Below are the steps involved in getting a quote

- Once you have logged onto LeasePlan and you wish to create a quote you will need to click on "New Quote" and complete steps 1 - 6. When you have completed all steps click on **"Save"**. You can create and save any number of quotes for comparison before accepting the best option. Once saved, a quote is valid for 10 days.

- If you then wish to accept a quote and proceed with ordering a vehicle, click on **"My Quotes"**, select the quote, click on **"view details"**, print and close. You will then need to scan your signed quote to HR-Services@griffith.edu.au or fax it to 56737. Once the quote has been signed by the Griffith Representative the documents will be scanned back to you via email (allow one working day).

- Once you have received the quote which has been signed by the Griffith Representative you will then need to click on **"My Quotes"**, select and open the preferred quote and then click on **"Request Order"**. You will then be required to complete a credit application and fax (1300 763 572) or email (credit@leaseplan.com.au) the signed quote and any other required documents.

*****First Time Users with LeasePlan**

If this is the first time you have registered with LeasePlan OnLine and you wish to proceed with the leasing of a motor vehicle you will need to print and complete Form A – Leaseplan Employee Benefit Authority (at the end of this User Guide) and scan to

HR-Services@griffith.edu.au or fax it to 56737.

Please note:- your Employee Benefit Authorithy Form can only be signed by the designated Griffith Representative from HR (not your Supervisor or Manager). This form will automatically be forwarded to LeasePlan when signed by the Griffith Representive

Once the vehicle has been ordered you will be required to sign a Griffith Agreement letter and novated lease documents sent by Leaseplan in the presence of a Griffith University HR representative at either the Nathan or Gold Coast campus. These signed documents are then scanned to Leaseplan.

Please Note:

- Salary deductions commence from the first available pay period;
- Salary deductions will be backdated to date of delivery where necessary (eg: when a pay period is missed due to timing of documents and/or payroll deadlines).

If you prefer to speak to a LeasePlan novated leasing representative directly please call 1300 668 572.

Laptop Computer Benefit

The cost of one laptop/ipad per FBT year (1 April to 31 March) can be salary packaged, and may be exempt from FBT.

Only the laptop and business related software can be salary packed in accordance with Australian Taxation Office (ATO) regulations. Desktop computers do not have this exemption.

The FBT legislation under section 58X allows this where there is an expected business use however no FBT declarations are required for laptops.

Laptops can be salary packaged via purchase of the laptop by the staff member and then reimbursement of the cost by Leaseplan. The benefit to the member is that the cost of the laptop is deducted through the member's pay as a pre-tax deduction

Laptop Computer Reimbursement Method

If you wish to acquire a laptop computer of your choice from the supplier of your choice you may do so.

Under the method you purchase the laptop and fund the purchase from your own monies. You can then claim reimbursement by instalments. When establishing the laptop reimbursement benefit you will determine the time period the reimbursement will occur. Usually the reimbursement is made over a period of 1 to 26 pay periods, as nominated by the staff member.

It is your obligation to ensure the laptop complies with the ATO regulation, if you do not comply with these regulations the laptop may be subject to FBT. To commence your packaging for the laptop you will be required to supply the original detailed supplier invoice and delivery dockets as part of the taxation substantiation requirements.

Under this method additional warranty, carry bags etc cannot be included in the salary packaging benefit.

You also need to be fully aware that a laptop computer acquired via this method is not insured by LeasePlan
or your employer, it is your responsibility to organise insurance if you so desire.

What to do to commence salary packaging for a laptop computer reimbursement?

- Before you consider salary packaging a laptop/ipad you should obtain advice from your financial advisor.
- Determine what laptop make/model/price you wish to acquire and from which supplier you will purchase it.
- Acquire your laptop ensuring you comply with the ATO regulations mentioned above.
- Determine the time frame you wish to apply for reimbursement instalments.

- Complete the following forms and return them to HR-Services for counter signing with the suppliers original invoice and delivery docket:

    a. Flexible Remuneration Packaging – Application for Laptop Reimbursement Benefit Form (Form B) - This form must be completed and signed by you.

    b. If this benefit item is your first salary packaged item you must complete the Flexible Remuneration Packaging – Employee Benefit Authority Form (Form A)

These forms will then be sent to Leaseplan for re-imbursement to the staff member.

Mobile Phone/PDA Benefit

The cost of one Mobile Phone per FBT year (1 April to 31 March) can be salary packaged and can be exempt from FBT. The ATO regulations (section 58X) allow this exemption where the phone is business related and is primarily used for work related purposes.

The cost of an Electronic Diary/PDA (not iPod's) can also be salary packaged and exempt from FBT. The ATO regulations allow this exemption where the item is work related only.
When applying for these salary packaging benefit items you will be making a declaration to this effect.

With these benefit items you purchase the Mobile Phone/Electronic Diary/PDA and fund the purchase from your own monies. You can then claim reimbursement by instalments. When establishing the reimbursement benefit you will need to determine the time period the reimbursement instalments will occur. Typically purchases under $1000 would be reimbursed within 1 to 12 months, while higher value purchase would be reimbursed within 24 months.

It is your obligation to ensure the item complies with the ATO regulation, if you do not comply with these regulations the item may be subject to FBT. To commence your packaging for the Mobile Phone/Electronic Diary/PDA you will be required to supply the original detailed supplier invoice and delivery dockets as part of the taxation substantiation requirements.

You also need to be fully aware that LeasePlan or your employer does not insure these items, it is your responsibility to organise insurance if you so desire.

What to do to commence salary packaging for a Mobile Phone/Electronic Diary/PDA reimbursement?

- Before you consider salary packaging these items you should obtain advice from your financial advisor.
- Determine what make/model/price you wish to acquire and from which supplier you will purchase it.
- Acquire the item ensuring you comply with the ATO regulations mentioned above.
- Determine the time frame you wish to apply for reimbursement instalments.
- Complete the following forms and return them to HR-Services for counter signing with the suppliers original invoice:

    a. Flexible Remuneration Packaging – Application for Mobile Phone/PDA Reimbursement Benefit Form (Form C) - This form must be completed and signed by you.

    b. If this benefit item is your first salary packaged item you must complete the Flexible Remuneration Packaging – Employee Benefit Authority Form (Form A)

These forms will then be sent to Leaseplan for re-imbursement to the staff member.

Exempt or Otherwise Deductible Benefit

The cost of certain item, where the principal use of the item is business or work related, you can salary package and will be exempt from FBT.

The range of items that can be salary packaged under this benefit are as follows:

- Brief case (or similar carry bag)
- Calculator
- airport lounge membership
- Accounting/Financial/Taxation advice (must be related to salary packaging and you must enter into a packaging arrangement).

Typically these items would be tax deductible and you would claim the deduction upon completion of your annual tax return. Salary packaging these items brings forward this deduction. You need to be aware that an item salary package exempt from FBT cannot be used as a further tax deduction in your annual tax return to the ATO.

When applying for this salary packaging these benefit items you will be making a declaration to the effect that the item is either principally used for business purposes or is work related.

With these benefit items you purchase the item and fund the purchase from your own monies. You can then claim reimbursement by instalments. When establishing the reimbursement benefit you will need to determine the time period the reimbursement instalments will occur.

It is your obligation to ensure the item complies with the ATO regulation, if you do not comply with these regulations the item may be subject to FBT. To commence your packaging for any of the items listed above you will be required to supply the original detailed supplier invoice as part of the taxation substantiation requirements.

You also need to be fully aware that LeasePlan or your employer does not insure these items, it is your responsibility to organise insurance if you so desire.

What to do to commence salary packaging for an Exempt/Otherwise Deductible Item reimbursement?

Note: To salary package airport lounge membership at the corporate rate you first need to contact the GU FBS Travel Co-ordinators and obtain/complete the appropriate membership application form with your credit card details. The receipt will then be forwarded to you, which you can then use to claim for salary packaging.

- Before you consider salary packaging these items you should obtain advice from your financial advisor.
- Determine what item you wish to acquire and from which supplier you will purchase it.
- Acquire the item ensuring you comply with the ATO regulations mentioned above.
- Determine the time frame you wish to apply for reimbursement instalments.
- Complete the following forms and return them to HR-Services for counter signing with the suppliers original invoice:

a. Flexible Remuneration Packaging – Application for Miscellaneous Benefit - Reimbursement Form (Form C) - This form must be completed and signed by you.

b. If this benefit item is your first salary packaged item you must complete the Flexible Remuneration Packaging – Employee Benefit Authority Form (Form A)

These forms will then be sent to Leaseplan for re-imbursement to the staff member.